GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1645
ANSWERED ON:26.07.2017
Performance Index
Maragatham Smt. K.

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways is mulling a new metric to measure its performance index;
(b) if so, the details thereof;
(c) whether the Railways has formed a committee of executive directors to look at some of the best corporate practices and suggest a new financial ratio and if so, the details thereof;
(d) whether the financial performance of the Railways is measured in operating ratio which is expected to be at a five year high of 9.49% in 2016-17; and
(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a) to (e) : A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 1645 BY SHRIMATI K. MARAGATHAM TO BE ANSWERED IN LOK SABHA ON 26.07.2017 REGARDING PERFORMANCE INDEX

(a) to (c) A Committee of Executive Directors of Railway Board has been constituted to (i) identify the limitations of the existing financial ratios and (ii) suggest objective and satisfactory index of financial performance.

(d) & (e) The Operating Ratio (OR) representing the operating efficacy of Indian Railways was 96.5% in 2016-17 and is the highest in the last five years. This was mainly due to the combined effect of increase in salary and pension expenditure towards implementation of 7th Pay Commission recommendations and subdued freight earnings on account of lower coal transportation and drop in overall freight lead.
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